

Remarks at the National Defense University
February 11, 2004

Thanks for the warm welcome. I'm honored to visit the National Defense University. For nearly a century, the scholars and students here have helped to prepare America for the changing threats to our national security. Today, the men and women of our National Defense University are helping to frame the strategies through which we are fighting and winning the war on terror. Your Center for Counterproliferation Research and your other institutes and colleges are providing vital insight into the dangers of a new era. I want to thank each one of you for devoting your talents and your energy to the service of our great Nation.

I want to thank General Michael Dunn for inviting me here. I used to jog by this facility on a regular basis. Then my age kicked in. [*Laughter*] I appreciate Ambassador Wolfgang Ischinger from Germany. Mr. Ambassador, thank you for being here today. I see my friend George Shultz, a distinguished public servant and true patriot, with us. George, thank you for coming, and Charlotte, it's good to see you. I'm so honored that Dick Lugar is here with us today. Senator, I appreciate you taking time and thanks for bringing Senator Saxby Chambliss with you as well. I appreciate the veterans who are here and those on active duty. Thanks for letting me come by.

On September the 11th, 2001, America and the world witnessed a new kind of war. We saw the great harm that a stateless network could inflict upon our country, killers armed with box cutters, mace, and 19 airline tickets. Those attacks also raised the prospect of even worse dangers, of other weapons in the hands of other men. The greatest threat before humanity today is the possibility of secret and sudden attack with chemical or biological or radiological or nuclear weapons.

In the past, enemies of America required massed armies and great navies, powerful air forces to put our Nation, our people, our friends at risk. In the cold war, Americans lived under the threat of weapons of mass destruction but believed that deterrents made those weapons a last resort. What has changed in the 21st century is that in the hands of terrorists, weapons of mass destruction would be a first resort, the preferred means to further their ideology of suicide and random murder. These terrible weapons are becoming easier to acquire, build, hide, and transport. Armed with a single vial of a biological agent or a single nuclear weapon, small groups of fanatics or failing states could gain the power to threaten great nations, threaten the world peace.

America and the entire civilized world will face this threat for decades to come. We must confront the danger with open eyes and unbending purpose. I have made clear to all the policy of this Nation: America will not permit terrorists and dangerous regimes to threaten us with the world's most deadly weapons.

Meeting this duty has required changes in thinking and strategy. Doctrines designed to contain empires, deter aggressive states, and defeat massed armies cannot fully protect us from this new threat. America faces the possibility of catastrophic attack from ballistic missiles armed with weapons of mass destruction, so that is why we are developing and deploying missile defenses to guard our people. The best intelligence is necessary to win the war on terror and to stop proliferation, so that is why I have established a commission that will examine our intelligence capabilities and recommend ways to improve and adapt them to detect new and emerging threats.

We're determined to confront those threats at the source. We will stop these

weapons from being acquired or built. We'll block them from being transferred. We'll prevent them from ever being used.

One source of these weapons is dangerous and secretive regimes that build weapons of mass destruction to intimidate their neighbors and force their influence upon the world. These nations pose different challenges; they require different strategies.

The former dictator of Iraq possessed and used weapons of mass destruction against his own people. For 12 years, he defied the will of the international community. He refused to disarm or account for his illegal weapons and programs. He doubted our resolve to enforce our word, and now he sits in a prison cell while his country moves toward a democratic future.

To Iraq's east, the Government of Iran is unwilling to abandon a uranium enrichment program capable of producing material for nuclear weapons. The United States is working with our allies and the International Atomic Energy Agency to ensure that Iran meets its commitments and does not develop nuclear weapons.

In the Pacific, North Korea has defied the world, has tested long-range ballistic missiles, admitted its possession of nuclear weapons, and now threatens to build more. Together with our partners in Asia, America is insisting that North Korea completely, verifiably, and irreversibly dismantle its nuclear programs.

America has consistently brought these threats to the attention of international organizations. We're using every means of diplomacy to answer them. As for my part, I will continue to speak clearly on these threats. I will continue to call upon the world to confront these dangers and to end them.

In recent years, another path of proliferation has become clear as well. America and other nations are learning more about black-market operatives who deal in equipment and expertise related to weapons of mass destruction. These dealers are moti-

vated by greed or fanaticism or both. They find eager customers in outlaw regimes, which pay millions for the parts and plans they need to speed up their weapons programs. And with deadly technology and expertise on the market, there's the terrible possibility that terrorists groups could obtain the ultimate weapons they desire most.

The extent and sophistication of such networks can be seen in the case of a man named Abdul Qadeer Khan. This is the story as we know it so far.

A.Q. Khan is known throughout the world as the father of Pakistan's nuclear weapons program. What was not publicly known until recently is that he also led an extensive international network for the proliferation of nuclear technology and know-how. For decades, Mr. Khan remained on the Pakistani Government payroll, earning a modest salary. Yet, he and his associates financed lavish lifestyles through the sale of nuclear technologies and equipment to outlaw regimes stretching from North Africa to the Korean Peninsula.

A.Q. Khan, himself, operated mostly out of Pakistan. He served as director of the network, its leading scientific mind as well as its primary salesman. Over the past decade, he made frequent trips to consult with his clients and to sell his expertise. He and his associates sold the blueprints for centrifuges to enrich uranium as well as nuclear designs stolen from the Pakistani Government. The network sold uranium hexafluoride, the gas that the centrifuge process can transform into enriched uranium for nuclear bombs. Khan and his associates provided Iran and Libya and North Korea with designs for Pakistan's older centrifuges as well as designs for more advanced and efficient models. The network also provided these countries with components and, in some cases, with complete centrifuges.

To increase their profits, Khan and his associates used a factory in Malaysia to manufacture key parts for centrifuges. Other necessary parts were purchased

through network operatives based in Europe, in the Middle East, and Africa. These procurement agents saw the trade in nuclear technologies as a shortcut to personal wealth, and they set up front companies to deceive legitimate firms into selling them tightly controlled materials.

Khan's deputy, a man named B.S.A. Tahir, ran SMB Computers, a business in Dubai. Tahir used that computer company as a front for the proliferation activities of the A.Q. Khan network. Tahir acted as both the network's chief financial officer and money launderer. He was also its shipping agent, using his computer firm as cover for the movement of centrifuge parts to various clients. Tahir directed the Malaysia facility to produce these parts based on Pakistani designs and then ordered the facility to ship the components to Dubai. Tahir also arranged for parts acquired by other European procurement agents to transit through Dubai for shipment to other customers.

This picture of the Khan network was pieced together over several years by American and British intelligence officers. Our intelligence services gradually uncovered this network's reach and identified its key experts and agents and money men. Operatives followed its transactions, mapped the extent of its operations. They monitored the travel of A.Q. Khan and senior associates. They shadowed members of the network around the world. They recorded their conversations. They penetrated their operations. We've uncovered their secrets. This work involved high risk, and all Americans can be grateful for the hard work and the dedication of our fine intelligence professionals.

Governments around the world worked closely with us to unravel the Khan network and to put an end to his criminal enterprise. A.Q. Khan has confessed his crimes, and his top associates are out of business. The Government of Pakistan is interrogating the network's members, learning critical details that will help them prevent

it from ever operating again. President Musharraf has promised to share all the information he learns about the Khan network and has assured us that his country will never again be a source of proliferation.

Mr. Tahir is in Malaysia, where authorities are investigating his activities. Malaysian authorities have assured us that the factory the network used is no longer producing centrifuge parts. Other members of the network remain at large. One by one, they will be found, and their careers in the weapons trade will be ended.

As a result of our penetration of the network, American and the British intelligence identified a shipment of advanced centrifuge parts manufactured at the Malaysian facility. We followed the shipment of these parts to Dubai and watched as they were transferred to the *BBC China*, a German-owned ship. After the ship passed through the Suez Canal, bound for Libya, it was stopped by German and Italian authorities. They found several containers, each 40 feet in length, listed on the ship's manifest as full of used machine parts. In fact, these containers were filled with parts of sophisticated centrifuges.

The interception of the *BBC China* came as Libyan and British and American officials were discussing the possibility of Libya ending its WMD programs. The United States and Britain confronted Libyan officials with this evidence of an active and illegal nuclear program. About 2 months ago, Libya's leader voluntarily agreed to end his nuclear and chemical weapons programs, not to pursue biological weapons, and to permit thorough inspections by the International Atomic Energy Agency and the Organisation for the Prohibition of Chemical Weapons. We're now working in partnership with these organizations and with the United Kingdom to help the Government of Libya dismantle those programs and eliminate all dangerous materials.

Colonel Qadhafi made the right decision, and the world will be safer once his commitment is fulfilled. We expect other regimes to follow his example. Abandoning the pursuit of illegal weapons can lead to better relations with the United States and other free nations. Continuing to seek those weapons will not bring security or international prestige but only political isolation, economic hardship, and other unwelcomed consequences.

We know that Libya was not the only customer of the Khan network. Other countries expressed great interest in their services. These regimes and other proliferators like Khan should know: We and our friends are determined to protect our people and the world from proliferation.

Breaking this network is one major success in a broadbased effort to stop the spread of terrible weapons. We're adjusting our strategies to the threats of a new era. America and the nations of Australia, France and Germany, Italy and Japan, the Netherlands, Poland, Portugal, Spain, and the United Kingdom have launched the Proliferation Security Initiative to interdict lethal materials in transit. Our nations are sharing intelligence information, tracking suspect international cargo, conducting joint military exercises. We're prepared to search planes and ships, to seize weapons and missiles and equipment that raise proliferation concerns, just as we did in stopping the dangerous cargo on the *BBC China* before it reached Libya. Three more governments, Canada and Singapore and Norway, will be participating in this initiative. We'll continue to expand the core group of PSI countries. And as PSI grows, proliferators will find it harder than ever to trade in illicit weapons.

There is a consensus among nations that proliferation cannot be tolerated. Yet this consensus means little unless it is translated into action. Every civilized nation has a stake in preventing the spread of weapons of mass destruction. These materials and

technologies and the people who traffic in them cross many borders. To stop this trade, the nations of the world must be strong and determined. We must work together. We must act effectively.

Today I announce seven proposals to strengthen the world's efforts to stop the spread of deadly weapons. First, I propose that the work of the Proliferation Security Initiative be expanded to address more than shipments and transfers. Building on the tools we've developed to fight terrorists, we can take direct action against proliferation networks. We need greater cooperation, not just among intelligence and military services but in law enforcement as well. PSI participants and other willing nations should use the Interpol and all other means to bring to justice those who traffic in deadly weapons, to shut down their labs, to seize their materials, to freeze their assets. We must act on every lead. We will find the middlemen, the suppliers, and the buyers. Our message to proliferators must be consistent, and it must be clear: We will find you, and we're not going to rest until you are stopped.

Second, I call on all nations to strengthen the laws and international controls that govern proliferation. At the U.N. last fall, I proposed a new Security Council resolution requiring all states to criminalize proliferation, enact strict export controls, and secure all sensitive materials within their borders. The Security Council should pass this proposal quickly. And when they do, America stands ready to help other governments to draft and enforce the new laws that will help us deal with proliferation.

Third, I propose to expand our efforts to keep weapons from the cold war and other dangerous materials out of the wrong hands. In 1991, Congress passed the Nunn-Lugar legislation. Senator Lugar had a clear vision, along with Senator Nunn, about what to do with the old Soviet Union. Under this program, we're helping former Soviet states find productive employment

for former weapons scientists. We're dismantling, destroying, and securing weapons and materials left over from the Soviet WMD arsenal. We have more work to do there. And as a result of the G-8 Summit in 2002, we agreed to provide \$20 billion over 10 years, half of it from the United States, to support such programs.

We should expand this cooperation elsewhere in the world. We will retain WMD scientists and technicians in countries like Iraq and Libya. We will help nations end the use of weapons-grade uranium in research reactors. I urge more nations to contribute to these efforts. The nations of the world must do all we can to secure and eliminate nuclear and chemical and biological and radiological materials.

As we track and destroy these networks, we must also prevent governments from developing nuclear weapons under false pretenses. The Nuclear Non-Proliferation Treaty was designed more than 30 years ago to prevent the spread of nuclear weapons beyond those states which already possessed them. Under this treaty, nuclear states agreed to help nonnuclear states develop peaceful atomic energy if they renounced the pursuit of nuclear weapons. But the treaty has a loophole which has been exploited by nations such as North Korea and Iran. These regimes are allowed to produce nuclear material that can be used to build bombs under the cover of civilian nuclear programs.

So today, as a fourth step, I propose a way to close the loophole. The world must create a safe, orderly system to fuel civilian nuclear plants without adding to the danger of weapons proliferation. The world's leading nuclear exporters should ensure that states have reliable access at reasonable cost to fuel for civilian reactors, so long as those states renounce enrichment and reprocessing. Enrichment and reprocessing are not necessary for nations seeking to harness nuclear energy for peaceful purposes.

The 40 nations of the Nuclear Suppliers Group should refuse to sell enrichment and reprocessing equipment and technologies to any state that does not already possess full-scale, functioning enrichment and reprocessing plants. This step will prevent new states from developing the means to produce fissile material for nuclear bombs. Proliferators must not be allowed to cynically manipulate the NPT to acquire the material and infrastructure necessary for manufacturing illegal weapons.

For international norms to be effective, they must be enforced. It is the charge of the International Atomic Energy Agency to uncover banned nuclear activity around the world and report those violations to the U.N. Security Council. We must ensure that the IAEA has all the tools it needs to fulfill its essential mandate. America and other nations support what is called the Additional Protocol, which requires states to declare a broad range of nuclear activities and facilities and allow the IAEA to inspect those facilities.

As a fifth step, I propose that by next year, only states that have signed the Additional Protocol be allowed to import equipment for their civilian nuclear programs. Nations that are serious about fighting proliferation will approve and implement the Additional Protocol. I've submitted the Additional Protocol to the Senate. I urge the Senate to consent immediately to its ratification.

We must also ensure that the IAEA is organized to take action when action is required. So, a sixth step, I propose the creation of a special committee of the IAEA Board which will focus intensively on safeguards and verification. This committee, made up of governments in good standing with the IAEA, will strengthen the capability of the IAEA to ensure that nations comply with their international obligations.

And finally, countries under investigation for violating nuclear nonproliferation obligations are currently allowed to serve on

the IAEA Board of Governors. For instance, Iran, a country suspected of maintaining an extensive nuclear weapons program, recently completed a 2-year term on the Board. Allowing potential violators to serve on the Board creates an unacceptable barrier to effective action. No state under investigation for proliferation violations should be allowed to serve on the IAEA Board of Governors or on the new special committee. And any state currently on the Board that comes under investigation should be suspended from the Board. The integrity and mission of the IAEA depends on this simple principle: Those actively breaking the rules should not be entrusted with enforcing the rules.

As we move forward to address these challenges, we will consult with our friends and allies on all these new measures. We will listen to their ideas. Together, we will defend the safety of all nations and preserve the peace of the world.

Over the last 2 years, a great coalition has come together to defeat terrorism and to oppose the spread of weapons of mass destruction, the inseparable commitments of the war on terror. We've shown that

proliferators can be discovered and can be stopped. We've shown that for regimes that choose defiance, there are serious consequences. The way ahead is not easy, but it is clear. We will proceed as if the lives of our citizens depend on our vigilance, because they do. Terrorists and terror states are in a race for weapons of mass murder, a race they must lose. Terrorists are resourceful. We're more resourceful. They're determined. We must be more determined. We will never lose focus or resolve. We'll be unrelenting in the defense of free nations and rise to the hard demands of dangerous times.

May God bless you all.

NOTE: The President spoke at 2:30 p.m. at Fort Lesley J. McNair. In his remarks, he referred to Lt. Gen. Michael M. Dunn, USAF, president, National Defense University; former Secretary of State George Shultz and his wife, Charlotte; President Pervez Musharraf of Pakistan; and Col. Muammar Abu Minyar al-Qadhafi, leader of Libya. The Office of the Press Secretary also released a Spanish language transcript of these remarks.

Letter to the Speaker of the House of Representatives Transmitting Appropriations Requests for the Judicial Branch *February 11, 2004*

Dear Mr. Speaker:

As a matter of comity, I am transmitting to the Congress the enclosed requests from the Judicial Branch for FY 2004.

The details of these requests are set forth in the enclosed letter from the Director of the Office of Management and Budget.

Sincerely,

GEORGE W. BUSH

NOTE: This letter was released by the Office of the Press Secretary on February 12.